



State of Washington  
Department of Revenue

# Excise Tax Advisory

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Excise Tax Advisories (ETA) are interpretive statements issued by the Department of Revenue under authority of RCW 34.05.230. ETAs explain the Department's policy regarding how tax law applies to a specific issue or specific set of facts. They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.

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## POSTING SERVICES PERFORMED BY AN OUTDOOR ADVERTISING COMPANY ON BILLBOARDS OWNED AND CONTROLLED BY THE CUSTOMER

Issued September 30, 1966

Where an outdoor advertising company performs posting services for customers on billboards which are owned and controlled by the customers, is the Retail Sales Tax applicable to the charges for such services performed?

The taxpayer, an outdoor advertising company, was supplied and shipped advertising copy by its advertisers. Upon receipt of the copy, the taxpayer's services consisted solely of placing the copy on billboards owned by the advertisers. The taxpayer contended that the Retail Sales Tax was not applicable to its charges for such services, but rather that the charges for such services were taxable pursuant to Rule 204 under the "Service and Other Business Activities" classification.

The Tax Commission held that the above posting service did not constitute "outdoor advertising" within the definition of Rule 204 since the term is limited to persons posting copy ". . . upon billboards owned or controlled by the outdoor advertiser." The Commission ruled that the taxpayer's activity fell within the definition of "sale at retail" in RCW 82.04.050

"The term 'sale at retail' or 'retail sale' shall include the sale of or charge made for tangible personal property consumed and/or for labor and services rendered in respect to the following: (a) the installing, repairing, cleaning, altering, imprinting, or improving of tangible personal property of or for consumers . . ." (Emphasis supplied.)

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***ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2 (plus three digits) are new advisories, ETBs that have been revised and readopted after review under the Department's regulatory improvement program, or advisories that have been revised and/or readopted.***

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The Commission concluded that, since the posting services were performed on the billboards of the customer, they fell within the definition of "sale at retail" and were taxable accordingly rather than under Rule 204. (Letter.)